

12 August 2015

Mr D Allen  
Senior Adviser, Listings Compliance (Perth)  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

[dale.allen@asx.com.au](mailto:dale.allen@asx.com.au)

Dear Sir

**Appendix 5B Query – Great Western Exploration Limited (Company)**

I refer to your letter dated 6 August 2015 and provide the following information.

**1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

Given the nature of its operations being mineral exploration, the Company has for its entire history operated with negative cash flows and has been funded predominantly by shareholders equity. The company anticipates this will continue into the future until it makes a discovery or an acquisition that generates cash flow.

The Company will continue to match expenditure to cash available and has taken steps to reduce its exploration and administration costs accordingly.

**2. Has the Entity taken any steps, or does it propose to take any steps, to raise further funds to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

The Board, mindful of its current position and its funding requirements going forward, continues to consider a number of capital raising proposals. These include discussions with major shareholders and sophisticated investors.

The Company currently has placement capacity under Listing Rules 7.1 and 7.1A and will also be seeking shareholder approval to ratify the previous issue made under Listing Rule 7.1 earlier this year which will provide additional placement capacity.

The Board reasonably believes that it will be able to raise sufficient capital to continue its operations and meet its obligations as and when they fall due. The Company is hopeful of being in a position to make an announcement on capital raising in the coming weeks.

**3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

The Company expects to be able to continue its operations and meet its business objectives.

I refer to the matters raised in 2 above. The Company's exploration holdings are in good standing and the Company continues to review the cash requirements of its exploration holdings and administration costs and rationalise where appropriate.

The Company is working towards finalising work programmes on its main project located adjacent to the new Monty discovery in the Doolgunna region.

While the Company recognises the difficulty in funding exploration projects in the current market conditions it believes the quality and location of the Company's Doolgunna projects will continue to be supported by current shareholders in addition to new investors that will enable the raising of sufficient new capital to continue exploration on its highly prospective projects. The Doolgunna region has once again been shown to be one of Australia's most exciting emerging base and precious metal districts.

Also as stated in the Company's recent Quarterly Activities Report, the Company has entered into negotiations to acquire an advanced project with known resources and existing infrastructure. No agreement has been reached at this time however the negotiations are ongoing and the Company will make an announcement in due course if these negotiations are successful. The Company believes that any near future acquisition will also add value and facilitate the raising of sufficient new capital.

**4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that rule that has not already been released to the market?**

The Company confirms that it is in compliance with Listing Rule 3.1 and there is no information that should be given to ASX about its financial condition in accordance with Listing Rule 3.1 that has not already been released to the market.

**5. Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2**

The Company is of the opinion that it is in compliance with Listing Rule 12.2 for the reasons outlined above, and:

- it is able to meet its immediate obligations;
- has reasonable expectations it will be able to fund its planned activities; and
- the Board reasonably believes that it will be able to raise sufficient capital to continue its operations and meet its obligations as and when they fall due.



**J A Luckett**

**Managing Director**



15 May 2015

Mr Kelvin Edwards  
Company Secretary  
Great Western Exploration Limited  
185 Hay Street  
West Perth WA 6008

By email: kel@greatwestex.com.au

Dear Mr Edwards

**Great Western Exploration Limited (the "Entity"): ASX Appendix 5B Query**

I refer to the Entity's quarterly report in the form of Appendix 5B for the period ended 30 March 2015 lodged with the ASX Market Announcements Platform on 30 April 2015 (the "Appendix 5B").

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$298,000;
- cash at the end of the quarter of \$105,000; and
- estimated cash outflows for the next quarter of \$200,000.

It is possible to conclude on the basis of the information provided in the Appendix 5B that if the Entity were to continue to expend cash at the rate for the quarter (and at the rate estimated for the next quarter) indicated by the Appendix 5B, the Entity may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that rule that has not already been released to the market?

Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2.

**When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 3.00pm AWST on Wednesday, 20 May 2015. If we do not have your

response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [dale.allen@asx.com.au](mailto:dale.allen@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[sent electronically without signature]*

Dale Allen  
Senior Adviser, Listings Compliance (Perth)